Design Sense

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The New Adults—
Marketing's Bewildering Bonanza pg.2

Bendix Communicated:
From Conglomerate To Entity pg.11

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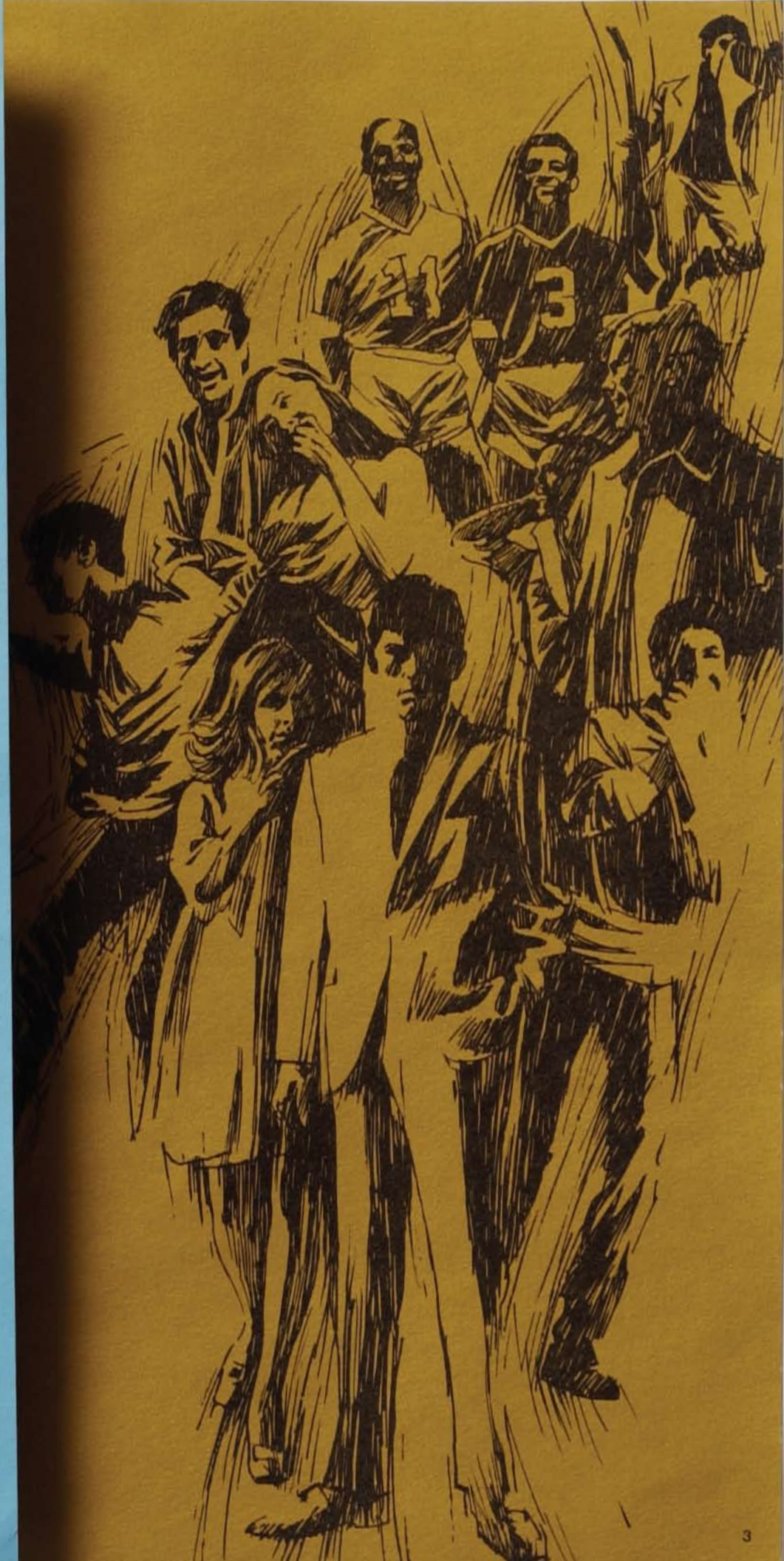
In this issue

The New Adults—
Marketing's Bewildering Bonanza page 2
In numbers they add up to a richer bonanza of adult buying power than you've ever known before; in everything else—tastes, attitudes, values—they're still an unknown quantity. How do they differ? And what are some marketers doing right now to open up a dialogue with this pivotal new mass of consumers? The answers given here suggest some preparations you yourself may wish to initiate to meet the marketing challenge posed by a new and vastly different breed of adult consumer.

Bendix Communicated:
From Conglomerate To Entity page 11
More than a billion dollars in annual sales volume; thoroughly diversified throughout many of the most exciting and lucrative areas of industry; brilliantly innovative as engineers—that's the Bendix Corporation. But, two years ago, if you asked: What's Bendix? the answers were often surprisingly misconceived. Here's what Bendix did to solve the problem, relevant in many respects to the steps other corporations —both large and small—now require in the way of identity planning.



Decried, denounced, cajoled, catered to, observed intensively and generally regarded as a latter-day phenomenon in the marketplace, the nation's youth tend to respond by doing the one thing that is inevitable, but somehow overlooked. They grow up.

Until that occurs, and despite all the bombast and ballyhoo that would lead us to think of Youth as a veritable Comstock Lode of consumers, the non-adult market is, and probably always will be, a somewhat narrow one with a limited capacity to absorb goods and services.

But... they do grow up, a fact that in itself can no longer be counted on to reassure even those marketers who have always known where the money is.

For there are several things about this on-coming wave of grown-ups—the New Adults—that must now be taken into account. First, there'll be more of them around to influence every adult age bracket for a long time to come.

A rare convergence of demographic factors—the coming-of-age of the post-World War II "baby boom" in conjunction with a recent decline in our birth rate—means that adult consumers will be an even greater marketing factor in the foreseeable future than they have been in the recent past.

Secondly, the New Adults are in many ways quite unlike any others you've ever dealt with before. At present they're a socioeconomic enigma whose attitudes and qualities were formed in a freer, more affluent and much more cosmopolitan world than the one their parents knew. How many of them will continue to turn on, tune in and drop out as adults? How many will just settle down and join the Club?

Since a great deal of what is about to happen in the marketplace hinges on our ability to understand and appeal to this cresting wave of New Adults, it is important—and probably long overdue—that we begin now to find out what makes them tick so that we may plan our marketing strategy accordingly.

This, then, is the purpose of the pages that follow: To begin an articulation of the basic problems—and opportunities—inherent in the changing face of the market, and to reveal, via an exploration of the strategic steps already taken by some progressive marketers, a number of the ways in which we may all prepare now to serve a new and challengingly different breed of consumer.

L&M

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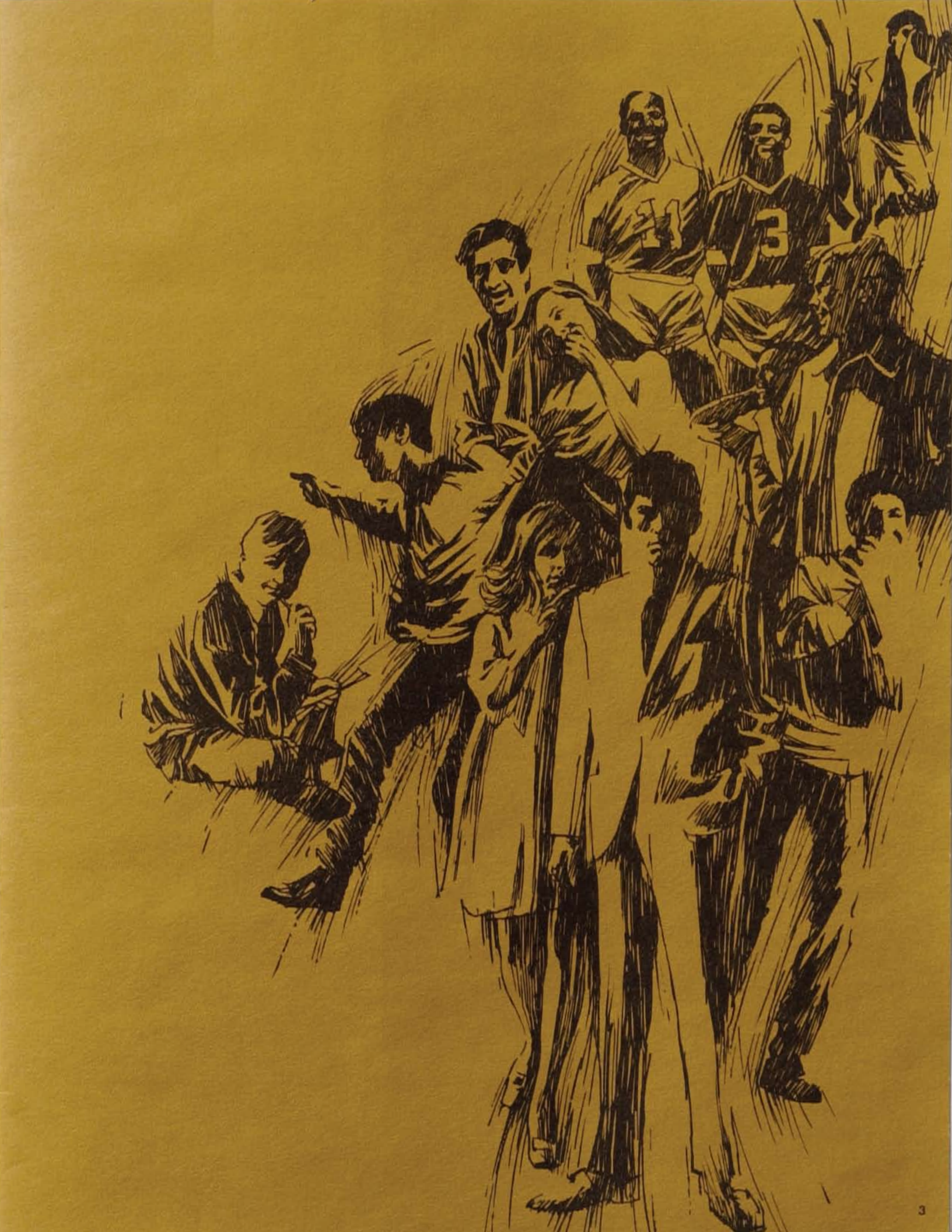


An enigma comes of age

Remember the post-war baby boom you've heard so much about? Well, in case you haven't looked lately they're all grown up and ready to rock the marketplace with all the new values and ideas that have accumulated in the yeasty years that led from Glenn Miller to the Beatles and the Rolling Stones.

Even if you've heard of the Rolling Stones and the Animals and the Living Dead you've got some marketing homework to do to get ready for these New Adults. Thirty-one million of them, who will be forming households, making product decisions and spending more money than any other New Adult group in history.

The facts are at hand, buried in sober gray statistics from the Census Bureau and other record keepers. They tell you lots of things about people but they add up to one important alert. The New Adults have happened, and they'll be around for a long time to play havoc with market strategies born at the country store and graduated from Kay Kyser's Kollege of Musical Knowledge. If you're old enough to remember Kay Kyser, you may be part of the problem.

Unhappily for earnings statements, those same columns of dull figures pin-point another significant development that will change corporate thinking for years. *The birth rate in the United States dropped 23 per cent between 1960 and 1966.*

A Battle of the Bulge In the Years Ahead

Thus, if you accept the pre-war rate as some kind of workable norm, the big post-war surge followed by the sharp drop beginning in 1960 has created a population "bulge." On the high side of that bulge are the perplexing New Adults, who will wield increasing influence in the marketplace. *And on the low side the alarm signals are sounding for everybody who sells something to babies or growing children.* Ultimately, of course, the next crop of youngsters will take their place in the adult ranks with spending power shriven by "The Pill," or new mores, or sociology, or any other combination of causes you want to credit.

Let's put aside the statistics for a moment and look at these New Adults to find out what we know and what we think we know about them.

This is the generation born under a mushroom cloud. They're waiting to buy tickets to the moon, so why get excited about micro-circuits and eye transplants and masers and lasers? They were raised in the age of the technological blitz and the farthest-out research is only a day or two away from reality to them. They're the most sophisticated Americans ever born.

They've had more education, more medical care, more travel experience, better housing, more conveniences and theoretically, more thoughtful rearing than any in the world ever. They've had more money and will earn more than anybody. That "good life" you used to talk about is taken for granted now.

Personal Involvement and the Megaton

But these New Adults are something more. They are the repository of the tedium and shattered hopes of a generation of Cold War, and some of it not so cold. They know what megaton means. They've heard it used to measure nuclear killing power. They're closer to and more concerned with the grave problems of their time than any other generation. It may come as a bit of a jolt to realize that the teenage rock-and-roll addict across the street who was too lazy to earn money mowing your lawn is ready to begin helping shape the future of the world.

What does all this mean to marketers? The statistics are again quite meaningful. For statistical purposes this New Adult group in 1965 fell into the 15 to 24 age group. They accounted for 16 per cent of the total population.

By 1970 they will range in age from 20 to 29, a prime time for household formation and all the purchases that go with it.

Already, they have become a market factor. In 1965, a time when many of the boys were still too young for marriage, they formed nearly 3.5 million households, about six per cent of the national total. They bought 911,000 automobiles, 9.8 per cent of that year's output.

By 1970 when they can really qualify for the New Adult label, they will form 10.3 million households and buy 2.4 million automobiles, 23 per cent of estimated production.

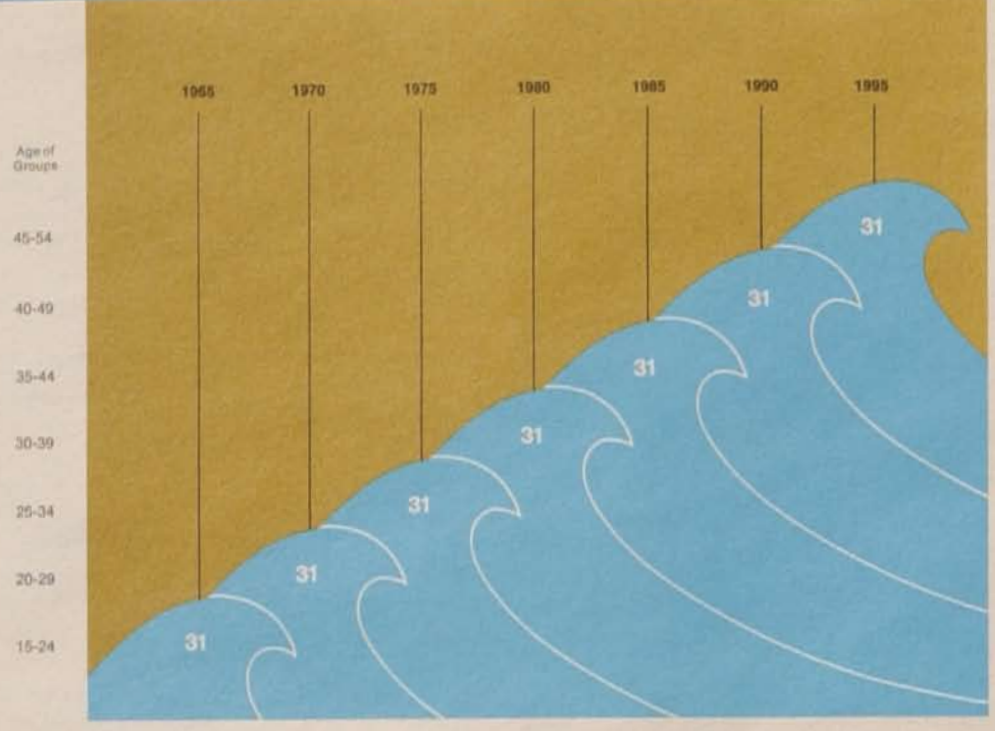
Look five more years ahead to 1975. They're 25 to 34 years old now and they will run 14 million households and buy an estimated 25 per cent of the nation's automotive production.

More Income, Borrowing and Buying

And that's only the beginning. These are New Wave New Adults. Their better educations will bring them more income. And 55 per cent of new households include a working wife these days, compared to less than 40 per cent in the general population. That adds to the purchasing power.

Grandpa thought the installment plan was sinful. To these New Adults it's a way of life. A consumer study reveals that eight of ten households under 35 owed personal debt and for seven of ten some of it was installment financing.

Here then is the basic structure of the



THE BREAKING WAVE OF U.S. ADULT POPULATION

The New Adults Are What's Happening! As this 31 million population bonanza born of the post-World War II baby boom comes of age, it promises to enrich each of the succeeding age groups it passes through. This huge group of New Adults will be forming households, making product decisions and spending more money than any other new adult group in history.

Source: U.S. Bureau of the Census

buying surge—higher earnings, more working wives and a willingness to go into debt to own more things.

On the average they spend more on homes, rent, home furnishings and automobiles. They buy more recreation and they spend more time and money away from home.

This is the New Adult group that has transformed clothing styles—from miniskirts and fishnet stockings to tuck-waisted men's jackets, pleatless and cuffless trousers with the pipe stem legs of the Twenties.

They're on their way to join the Establishment but they'll change a few of its contours before they're through.

Let's take a look at those changes and some strategies to meet them.

First Defense—Brand Loyalty

The marketer's usual first line of defense is brand loyalty. It is a quality to nurture and cherish because it is built so painstakingly and expensively. How effectively will it cope with the unpredictable challenges of the New Adults?

Of course it depends on how indelibly the brand has been etched on buyer patterns. But there's more to it than that. The kind of product is important.

Picture a New Adult wife. She goes to the supermarket—and if she is 25 years old she has entered the group of women that account for half the nation's supermarket transactions and 55 per cent of the dollar volume.

She feels at home in the supermarket. She understands brands. Perhaps she had guidance from her mother. But she has also had experience choosing food brands herself. Chances are, there'll be some brand loyalty.

But don't count too heavily on it. *A two-stage study of 1,219 women aged 18 to 35 revealed that two-thirds of the girls who used a brand for the first time during their high school years rejected it later.*

For New Decisions, Tested Marketing Skills

Buying decisions in some product areas—the kinds their parents used to make—will be new to the New Adults. Junior may have influenced dad to buy a sporty looking car, but it was a different story with such products as major appliances and other home furnishings, mortgages, insurance and a long list of other things that traditionally are adult purchases.

In these product areas there is little, if any, brand loyalty you can count on. It is here that the New Adults represent a whole new market that will demand all the skills of advertising, research, packaging, brand and image establishment, motivational study and continued marketing communications.

Think back to the human qualities these young people represent—the mixture of sophistication and naiveté, education and inexperience. It is this puzzling equation you must solve and it will require skilled practitioners using all the tools of the profession.

How many of their teenage buying habits will they bring with them into the adult ranks, for example? As teenagers their tastes were fickle and today's hot item was tomorrow's disaster. Certainly some of this will remain, at least to the extent that it represents the endless hunt for satisfaction at an immature level.

On the other hand, they should be prime prospects for any kind of personal or household gadget. They're used to labor-saving devices. Try an electric toothbrush on some people and you've got a convincing job to do. The New Adults don't bring the prejudices into the marketing arena that other generations have.

"Four Square" Is Square Now

But remember that values have changed. Yesteryear's fondness for "four square" and "all wool and a yard wide" is gone.

Your brands and your whole market approach will have to recognize and appeal to these emerging new criteria. It will take time and effort and lots of expert assistance, but it's worth it. Remember, we're talking about 31 million people who will soon be the wealthiest customers since Midas.

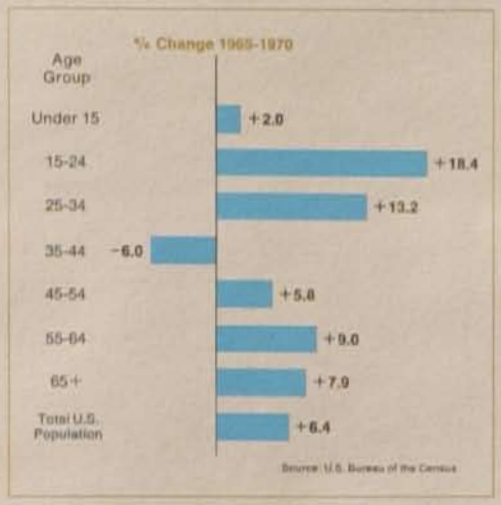
Obviously, all this change will affect your introduction of new products, and even before that, your research and development effort.

The New Adults will be harder to sell by conventional means, because of their different standards and because *skepticism toward hard-sell advertising and other conventional market methods increases in proportion to education.*

This places heavy responsibility in the new product and research area to meet the changing life patterns with products that really hit the mark.

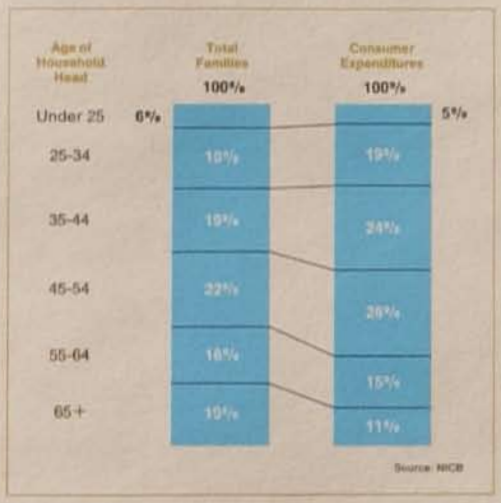
Needed—An Ear for Emotional Tempo

How do you do this? Well, slogans like "new and improved" and "new miracle formula" may begin falling on increasingly deaf ears. You'll need really new products and concepts. They must be based on market research and all the other facilities at hand. But they must meet still another test. They must fit the emotional tempo of the times. They must reflect the aspirations of this New Adult group, of course. But what are their aspirations? You'll need motivational insights to find out what makes them tick.



U.S. POPULATION CHANGE—1965-1970

A Shift Toward Maturity: By 1970 the threshold 15-24 adult age group will have experienced nearly three times the growth rate of the U.S. population as a whole. Meanwhile, the non-adult under-15 group remains relatively static, increasing a bare 2%. Significantly, between 1960 and 1966 the birth rate in the United States dropped 23%.



DISTRIBUTION OF FAMILIES AND CONSUMER EXPENDITURES BY AGE GROUPS

Where The Money Is! As they relate to consumer expenditures, boxcar population figures are less important than family or household data. It's adults, not children, who form families. Family formation by the breaking wave of New Adults will make the younger family groups even more of a consumer factor over the next decade than they were in 1960 when data for this chart was gathered.

Index of Average Annual Consumer Expenditures for Selected Goods and Services

Age of Household Head	Average Family Size	Current Consumption	Food	Alcoholic Beverages	Tobacco	Housing & Household	Furnishings Appliances	Clothing & Access.	Auto & Other Trans.
Under 25	2.7	83	69	69	91	83	106	75	108
25-34	3.8	106	100	109	115	111	123	103	113
35-44	4.2	123	123	130	125	117	129	136	123
45-54	3.4	117	115	130	123	109	110	131	121
55-64	2.4	90	92	91	90	92	84	86	91
65+	1.8	58	61	46	43	75	45	41	45
Av'ge	3.2	100 ($5,152)	100 ($1,259)	100 ($81)	100 ($93)	100 ($1,236)	100 ($269)	100 ($252)	100 ($781)

INDEX: 100 equals total annual average expenditures for all age groups in each category (in 1960 by age of head of household; all non-farm families and single consumers)

Source: "Expenditure Patterns of the American Family", sponsored by Life Magazine and prepared by the National Industrial Conference Board.

Patterns of Purchasing: There'll be more money around to spend than there was when this index chart was prepared. But will the buying pattern itself remain the same for on-coming adult groups as it has been in the past? Or will the attitudes and preferences of the New Adults cause significant changes? These are questions some marketers are coming to grips with now.

An example of the kind of inspired conceptual approach discussed here is contained in the Ford Mustang.

This was as classic a case as you're likely to find of what can happen when a marketer really gets down to the nitty-gritty of discovering and filling an unsatisfied consumer desire—in this instance the longing of a sizeable chunk of the car-buying public for an inexpensive car that looks like a sports model with plenty of pizazz.

What matter if the Mustang isn't really a sports car; isn't in fact very far, in terms of nuts and bolts, from a family sedan? Give it an inspired name like Mustang. Invest it with a merchandising mystique of swinging youth. Offer it with enough options to give each buyer the feeling that it's a car he can "custom build" to his own individual tastes. And the result, as everyone now knows, is some of the most sporty sales figures raked up in recent automotive history. This, of course, is the kind of research, development and new product introduction that promises to weather the uncertainties ahead—providing management understands that today's Mustang is tomorrow's Model-T, and that even success can be a prelude to disaster if it inhibits innovation.

New Products for Troubled Markets

The lesson is especially critical for those companies caught on the bottom side of the population bulge in the baby product market.

What does it take to turn a baby product into, say, a general health product, or beauty aid—or anything that will stimulate a new flow of creative thinking to meet the market problem?

Perhaps the answer for many companies, in baby products or not, lies in the area of merger or acquisition. This route can supply new talent, compatible product lines, needed money for changeover or expansion, or more interestingly, it can help create a new generation of hybrid products drawn from the inventive efforts of both partners.

This, briefly, is the shape of the challenge, and these are some of the strategic approaches toward solving the bubbling new questions that arise.

But none of it means a thing if you don't know how to communicate at the corporate level to make your decisions effective.

Failure to communicate means that the squeaky wheel doesn't get the grease it needs. Communicate where and to whom? To customers in this New Adult group and in every other segment of the population to let them know that you know them, understand them and are marketing products that are meaningful to them.

Communicate? To employees to enlist them in the battles you face, to offer them the incentives they need to make your cause their own.

Communicate? Through advertising and every other means to every kind of public—the investment community that buys your stocks, the lending institutions whose money you'll need to grow on. And finally, the most important communication of all—to people, just people. The kind of people who form opinions and influence others in whatever sphere—the kind of people who will help your program come true—make your advertising believable, your brand name respected, your products accepted.

If you build a better mousetrap—you'll starve to death, unless you find a way to communicate it to the world that's supposed to beat the path to your door.

If all this sounds like a tall order, it might be pertinent to point out that some companies are already doing an incisive job in meeting the challenges.

CHRYSLER
CORPORATION

The turnaround in Chrysler's fortunes, for instance, has been attributed in no small measure to the creation of a new communications strategy implemented on a world-wide scale. Its now universally known Pentastar signature is a dominant feature in the identity of all Chrysler divisions and products—automotive and non-automotive. With communications fully integrated at all levels and in all media, Chrysler now has the capacity to achieve the utmost for every dollar expended in the marketing arena. It is capable, too, of endowing relatively lesser known divisions or new and changed products with a powerfully effective corporate endorsement. Armed with an identity of such magnitude and an overall communications strategy with the built-in flexibility to adapt itself to both growth and change, Chrysler is better prepared today than many companies to face whatever challenges New Adult tastes and attitudes will pose in the marketplace.

New Life in New York Life

New York Life has joined the forward-looking phalanx. For years the life insurance industry has struggled against inertia to modernize the image that once meant solidity, dependability and safety and now connotes stodginess to many.

The "you've got to die to win" image prevailed in the earlier years, until insurance companies began stressing "living benefits," translating insurance cash values into retirement income or education or any other desirable end.

Perhaps the most famous ad in the industry's history ran more than 20 years ago. Its headline was "How I Retired on $200 a Month." You still see it, now and then, and its offspring.

New York Life has approached the changeover to the new era with perception. It has mounted a change of identity and communication strategy (see Design Sense #48) that simplifies the name, streamlines the public approach—all aimed at communicating the idea that this is a stable, solid company geared to meet the new needs of the New Adults.

A no less spectacular example of transformation is provided by Cities Service Oil Company. The new generation was chosen as the point of aim and the old image was swept out to get ready for it. The tired old green signs disappeared—even the company name which could have been confused with a public utility—was changed in the marketing process.

Transformation of Citgo

After a major transformation (see Design Sense #43), out came Citgo, with an impression of a hip, upbeat company loaded with modern service, forward-looking ideas and a real candidate for identification with the New Adults, who represent such a significant market for oil, gas, tires, batteries and maintenance.

Indeed, the Cities Service ad agency has now seized upon the excitement of the Citgo look to make it the major theme of a newly-unveiled ad campaign which plays up all that the company has done to make Citgo gas station stops less boring, more fun-filled experiences.

Another bold stride in product and image development was made by the Coca-Cola Company with its new lemon-lime drink, Sprite.

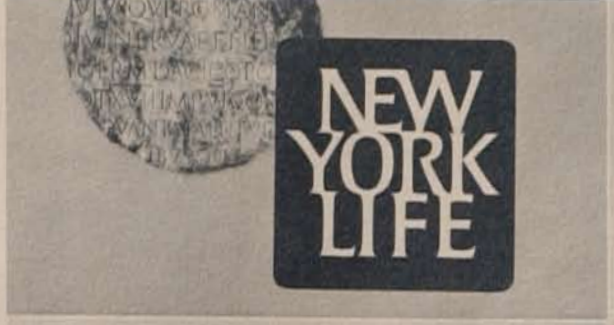
It was a product built from scratch—it began with only a concept. As Lippincott & Margulies saw the soft drink market, different products could be ranged on a spectrum from "very sweet" to "not sweet." In their judgment, sweet drinks were generally equated with the children's market and tart drinks to adults.

From the L. & M. research came a positioning statement that guided the Sprite program. Coca-Cola aimed its Sprite flavor at the adult segment just to the dry side of 7 Up, the perennial lemon-lime drink

leader. The name, bottle configuration, label and graphics had to project the product in such motivationally-loaded terms as non-sweet, tingling, tartness with bubble and sparkle.

How well such painstaking planning paid off is evident in the sales figures. In 1966, Sprite sales—despite a slowly evolving market-by-market introduction—had reached 65 million cases, 30% above its 1965 figure. During the same period, Sprite's most obvious competitor, 7 Up, had recorded no increase in sales.

Weyerhaeuser Company is another that has geared for the new era in the rapidly-evolving housing industry, paper products and packaging field. The overhaul didn't stop with conformity of design. Organization of the company's communications required a distinctive nomenclature system related to specific corporate graphics. The result is an integrated, meaningful communications system keyed to a memorable, modern trade mark.



Unblazed Trail Ahead

To the marketer, this new generation, embodying all the turbulence and change of the time we live in, is an unblazed trail into the future.

Certainly, there are other market groups that deserve attention. The older, more affluent households have long been a focal point for major marketing efforts by great corporations. They will continue to be. At the same time, the Youth market—despite the fact that it has been perhaps oversold in recent days—will occupy a legitimate place in the thoughts of marketers whose goods and services are oriented in that direction. And now, another group of unprecedented promise begins to move into the marketing spotlight—today's New Adults.

We have singled out the New Adults for two reasons. First, because they are important in themselves. And secondly, because they appear to be somewhat less predictable than preceding adult generations. What will happen, one wonders, when those who now say: "Never trust anyone over 30" approach 30 themselves?

In solving whatever marketing enigmas the New Adults pose for us we assure ourselves that the numerical bonanza they represent will translate itself into a dollars-and-cents one as well.

Let one note be sounded clearly. The United States, beset by the complexities of its new socio-scientific age with its overtones of the new humanism, remains a dynamic, rolling society that will call forth the best efforts of marketing people and the specialists who serve them. But if the difficulties are great, so are the rewards.

OH YES, BENDIX. THEY MAKE A GREAT WASHING MACHINE, RIGHT?

WRONG.

To lack an identity plan is not to lack identity, as The Bendix Corporation—in the light of its own experiences—would be among the first to acknowledge.

But if one need not have a plan in order to be identified, how and at what point does a corporation recognize the emergence of a discrepancy between what it is and what it is busily saying it is?

Here one cannot be guided entirely by what happened to Bendix where the discrepancy manifested itself quite clearly. Management was left with no doubt that Bendix conveyed a lopsided impression of itself as a total corporate entity.

Few companies can count on receiving so clear a signal that all is not communicatively well. *So understated are the signs in many cases that a company's senior officers could remain indefinitely oblivious to what may be a root cause of why their firm is not measuring up to its true potential.*

Nevertheless, the Bendix experience provides—by its very atypicality—as clear an example as one is likely to find of how far afield a corporation can stray in communicating outmoded and fragmented impressions.

With the malady so atypically apparent, one may wonder why so much time elapsed before Bendix set about the task of curing it.

In this, however, Bendix is not at all unusual. All too frequently, inertia in the realm of identity planning is only overcome by the drive and energy characteristic of the efforts of newly-installed management. So it was with Bendix.

What's Bendix?

Ask a housewife, or her spouse, and as recently as two years ago the reply may well have been: "Bendix? It's a washing machine." So much for a strategy of communications. Allow a key word of the corporate name to become virtually synonymous with, and almost a generic version of the product itself. Success inevitably follows.

But what happens if—as in the case of Bendix—washing machines were never more than a relatively minor part of a broadly diversified output in many unrelated categories of production?

And what happens if—as in the case of Bendix—the company no longer makes the product?

Will the company continue to be associated with, and best known for, a product it no longer makes? Perhaps not. Perhaps some people might then say: "Oh, yes,

Bendix. They made a great washing machine once. Whatever happened to them?"

Whatever happened to Bendix as a corporation—and has been happening to it throughout its close to 50-year history—is *growth*. Growth through innovation. Growth through acquisitions. Growth by virtue of a strongly-pillared diversification in the automotive, aerospace, electronics and automated machinery markets.

So thoroughly diversified is Bendix—with its products a part of virtually all U.S.-made automobiles, aircraft, missiles and weapons—that the corporation has no strong dependence on any one item in its productive repertoire.

Nor could anyone who noted the more than one billion dollars in sales recorded by Bendix in 1966 have any doubts that it is one of America's great corporations.

A Conglomerate, Not An Entity

But if one were to ask whatever happened to Bendix as a communicator of its corporate essence—or its corporate dimensions—the answer (until as recently as two years ago) could be summed up in a phrase. Very little.

With no overall communications strategy to guide it, Bendix had, by 1965, acquired or developed such an array of subsidiaries, divisions and affiliates that the corporation was, in outward appearance at least, more a conglomerate than an entity. Nor was this all of the problem.

Even among those who had good reason to know Bendix for things other than a washing machine there was little appreciation of the corporation's true scope and diversity. Many of them saw Bendix only in terms of the corporate fragment they dealt with on a regular basis.

Enter L. & M.

This, then, was the situation at Bendix two years ago when Lippincott & Margulies was called in to make a study of the corporation, and to recommend a fully detailed Plan of Action.

There could be no doubt that the assignment undertaken by L. & M. was complex and formidable. Here was a corporation comprised of more than 40 divisions and subsidiaries, so diversified in functions and decentralized in operations that one was tempted to ask: Is there, in a communicative sense, such a thing as a Bendix Corporation? On the brighter side, it was encouragingly obvious at the outset that—in addition to a drive toward functional reorganization of the corporation itself—Bendix would provide in its new leadership headed by Chairman and Chief Executive Officer, A. P. Fontaine, any amount of initiative, support and close cooperation that might

A. P. Fontaine Chairman and Chief Executive Officer

be needed to assure the creation of a well-coordinated and totally integrated identification strategy.

The importance of such from-the-top direction for the project could not be minimized. For, as the L. & M. project group knew from considerable past experience with similar assignments, *high-level executive involvement is an imperative for the full-scale implementation of any large corporation's communicative strategy.*

A Search For The Corporate Essence

Beyond all of the personal interviews and research conducted by the L. & M. project team to audit Bendix's communicative assets and liabilities, it was necessary in the end to probe to the very origins of the corporation in order to search out whatever essential core it might possess.

The key corporate characteristic—that of innovative engineering—was apparent even in the pre-corporate history of its founder, Vincent Bendix. In 1914 this inventive young mechanic designed an ingenious mechanism to transform the electric starter into a practical device for automobiles.

By 1924, Bendix had opened his own factory to manufacture four-wheel brakes. Four years later, his acquisition of other companies led to the formation of the Bendix Aviation Corporation, the name by which the company was known until 1960. Today, aviation products comprise about one-third of total sales.

Bendix instruments and its electric starter were in use on the Navy's famous NC-4 aircraft which flew the Atlantic in 1919. It had provided the flight indicators and compasses for the Douglas Army airplane that circled the globe in 1924. And in 1927, when Lucky Lindy piloted his "Spirit of St. Louis" into the pages of history, he did so with the aid of the then revolutionary Bendix "earth inductor" compass.

To the L. & M. project team retracing Bendix's auspicious beginnings and subsequent growth, the company's past was of more than historic interest. It was now possible for them to see that Bendix did, in fact, possess a communicable corporate

personality as a creative engineering and manufacturing organization. Innovative brilliance and technological leadership were characteristic of the corporation throughout its past history. Significantly, and despite what seemed at first glance to be a bewilderingly diverse proliferation into many unrelated fields, these Bendix characteristics remain constant.

New Frontiers

Bendix has continued to expand outward through the years toward every new frontier of technology...in aerospace systems, electronics, automation and oceanics. Determined to maintain its technological leadership in each field, Bendix today allocates some $15 million annually for research and development activities. Its research laboratories have developed the potentially lucrative *Channeltron*, a light intensifier device which amplifies tiny particles of light for distinct night vision applications. Bendix is also a pioneer in the field of *Fluidics*, which deals with the use of fluids (gaseous or liquid) in motion to perform such functions as signal or power amplification, temperature or rate sensing, logic or computation and control. By 1960, Bendix had moved into so many diverse fields that it could no longer justifiably call itself The Bendix Aviation Corporation. Accordingly, it changed its corporate name to a shorter and more appropriate one, The Bendix Corporation.

Prior to L. & M.'s arrival on the scene, no other steps had been taken to bring the corporation's communicative disorder under control. As the L. & M. project team probed deeper into the situation, it became obvious that much more than communicative renovation would be required to solve the problem. For in analyzing the bewildering array of names Bendix had inherited, or attached to its sub-corporate parts, the L. & M. project team became increasingly aware of the fact that the problem was not only one of basic nomenclature, but of an underlying organizational disorder. In short, the communicative problem was not only a malady in itself, but symptomatic of a more fundamental ailment.

Nevertheless, as the L. & M. specialists knew, organizational reform is not of and in itself a strategy of communications. Clarity and a sense of orderliness are highly desirable traits, but they are not calculated to invest a corporation with a communicable identity radiating power, uniqueness, progressiveness and superiority. Far more important to the creation of a fully-integrated communications plan was the establishment, at the very beginning, of a hierarchy of values. Evaluation of the corporate-divisional-product interrelationships at Bendix made it clear that no "umbrella" would suffice in organizing a strategy of communications. To link all of the sub-corporate parts willy-nilly to the corporate parent would be to disregard the gradations in equities that existed in varying degrees among them. In other words, great care had to be taken to avoid burying strong sub-corporate equities beneath a corporate cloak. At the same time, it was necessary to make certain that the corporate identity clearly emerged in each case.

The development of such a plan for a company of Bendix's size and complexity is clearly no short-term project. It is, in fact, an on-going program in which much more remains to be accomplished. The initial work, however, dealing with such basic problems as nomenclature reform and visual expression, has now been completed, and it is with this part of the total communications project that we now concern ourselves.

Communicating For Marketing Objectives

To appreciate the importance that Bendix attached to the early development of an identification plan, one must first understand the close relationship of communications strategy to two very definite marketing objectives the corporation's new management had set for itself.

1. Bendix was determined to decrease its dependence on government business;
2. Bendix was intent on further expansion, possibly by other acquisitions.

A well-conceived communications strategy was crucial to the attainment of both objectives. For if the first objective was to be achieved, it was necessary to make the non-governmental business and industrial world far more aware than they ever had been before of Bendix's productive capabilities in all fields. Nor could the second objective be easily attained without clearer, stronger and better-coordinated communication of Bendix's total identity.

To accomplish all this, L. & M.'s initial recommendations were designed to embody equities that would succeed in characterizing Bendix in terms of: *stature, technical competence, innovative engineering capabilities* and *dynamic leadership.*

Phase I—The Basic Recommendations

With the foregoing guidelines and objectives in mind, the L. & M. project team presented Bendix management with the following recommendations for basic changes:

1. Adoption of a short, simple but unique communicative name treated as a distinctive self-reading logotype;
2. Use of descriptive generic terms for sub-corporate units where practical;
3. Employment of actual generic words (with brand names where appropriate) for product designations.

L. & M. recommended that the corporation continue to retain "The Bendix Corporation" as its legal designation—but adopted single word "Bendix" as a short, powerfully communicative means of identifying the total corporate entity to all of its various publics. There could be no doubt that the single word "Bendix" was nationally and internationally well-known, albeit for the wrong reasons. L. & M. recommended that the word be implemented so thoroughly in the firm's corporate communications that it would become as immediately evocative of a great corporation as it once had been of a washing machine line.

With regard to nomenclature changes for sub-corporate units, L. & M.'s recommendations were aimed at a clearer identification of the functional reorganization that Bendix had now undertaken. Reorganized into six sub-corporate units that correspond to basic activities, the corporation now reveals itself to be active and competent in the following fields: *automotive, aerospace products, aerospace systems, electronics, automation* and *oceanics.*

Sub-corporate names like Scintilla, Friez Instruments and Mishawaka Division were abandoned because they do not communicate essential information. On the other hand, such generic terms as "fuzing devices," "semiconductors," "brake and steering," "industrial controls," "missile systems" and "radio" are now very much in evidence as part of Bendix's sub-corporate nomenclature since they leave no doubt about what's going on in the divisions that bear these names.

At the same time, great care was taken to preserve those sub-corporate names that have, despite their non-descriptive nature, strong equities among their customers. Those who know and rely upon such divisions as the P. & D. Manufacturing Co., Inc. and the Scully-Jones Company, will find them communicatively unchanged under the Bendix banner.

The Corporate Signature

In considering the visual presentation of the Bendix communicative name and basic nomenclature, the L. & M. project team was primarily concerned with projecting a "corporate look" that would convey the modern spirit of an innovator and leader in every field of endeavor, while at the same time continuing to project the experience and stature inherent in the corporation's past accomplishments.

With this objective in mind, the L. & M. designers recommended the abandonment of Bendix's dated, old-fashioned lettering, and its replacement with a more timeless

and classic form. This, together with the distinctive blue sweep of the underscoring "Dynamark," forms a corporate signature in keeping with the character of a company perceived to be in the vanguard of research, development and productive achievement in so many of today's technological frontiers. The new style is simple and direct, yet unique enough to be remembered.

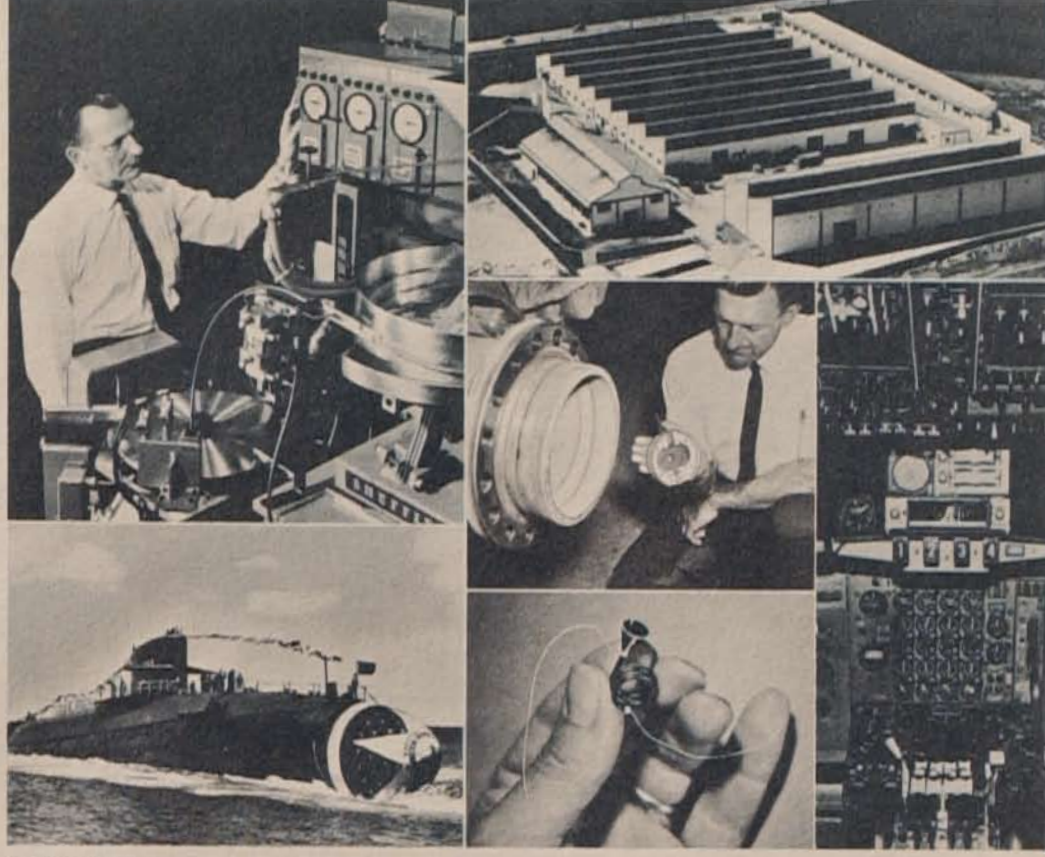
Implementation—The Critical Element

Acceptance of the L. & M. recommendations by Bendix's top management was only the beginning. What the L. & M. project team had created in close cooperation with Bendix executives had yet to be fully implemented. And it is at this stage that even the most brilliantly conceived plan of corporate communications can come to naught.

Fortunately, Bendix Chairman A. P. Fontaine was determined that this should not happen. From the outset all decisions concerning the creation of Bendix's new identification system were made at the top corporate level. To assure uniform compliance with the recommended changes, the following implementive steps were taken:

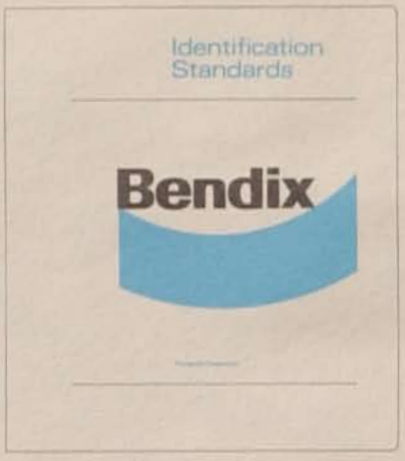
1. Creation of a special department at Bendix—with the help of the L. & M. project team—for internal supervision of matters relating to the firm's corporate identity, and to deal with other communications problems as they arise. Bendix vice president Eldon E. Fox, a moving spirit behind the company's drive toward an overall strategy of communications, oversees the work of this department, assures high-level management endorsement for its functions.
2. Establishment of communications seminars—with the L. & M. consultants participating—for indoctrination of the corporation's advertising and public relations people with a step-by-step understanding of what was being accomplished and why. Question-and-answer sessions dealt with the specific problems that would be encountered in the implementive process, and how to overcome them.
3. Implementation of all visual and nomenclature changes throughout the company —in letterheads, advertising, signage, rolling stock, internal forms, sales brochures, house organs, etc.
4. Summarization and illustration of all graphic standards in a manual for ready reference by all concerned.

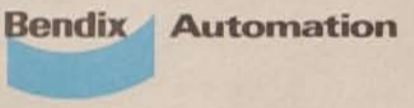
The newly-implemented identification plan was devised to subordinate divisional and subsidiary nomenclature in advertisements. Such names could appear, for instance, in the body copy of advertisements, but never juxtaposed to the Bendix logo. The only words that do sometimes



Bendix's far-ranging productive repertoire in the U.S.A. and abroad is highly diversified in six broad areas of competence, including aerospace products, aerospace systems, automation, automotive, electronics and oceanics. A small sampling of the productivity encompassed is shown above.

appear in the signature positon are the generic ones that describe one of the corporation's six areas of competence (such as Aerospace, Automotive, etc.), and then only as an adjective along with the distinctive Bendix logotype. In all cases where the area of competence is mentioned, it is placed physically where it may be viewed by the same perceptual glance that takes in the Bendix name. Thus, there can be no doubt about the transcendent importance of the corporate parent in the communicative hierarchy. Even in the use of the Bendix promotional identifier, "Where Ideas Unlock The Future," the primary aim is to articulate what the corporation – above and beyond any of its changing subdivisions – essentially stands for.





Implications Of An On-Going Program

The Bendix program is still young. Much remains to be done. Still to come: the packaging of Bendix's diversified product mix. Even so, it is now possible to infer several important points from the Bendix program at this stage of its development.

To begin with, it is unlikely that a meaningful communications program would have been initiated at Bendix without the forward thrust of astute new management. In this sense, the program reflects the dynamic and progressive nature of the corporation.

In still another – and no less important – sense, the Bendix communications program does much more than merely reflect a corporate status quo. It is designed to actively *express* and *project* a distinctly unique corporate personality. All that Bendix has accomplished to date – including the establishment of its own internal office of corporate identification – is with this communicative objective in view.

In effect, Bendix is arming itself with an identification program designed to help the corporation achieve the goals Chairman A. P. Fontaine has set for it: to gain more non-governmental business, to continue expanding and to improve its after-tax profit position.

As Bendix sets forth to achieve these goals, it does so with the assurance that its communications are no longer left to the vagaries of chance impressions, or the kind of uncoordinated planning that gives rise to misleading perceptions.

But for those who would relate their own situation with the Bendix experience, a cautionary note is in order. Not all companies can expect to be alerted to their communicative shortcomings by anything remotely resembling a washing machine. For most corporations, a vigilant auditing of identification policies and practices remains the only certain means of preventing communicative hardening of the arteries.

Readers of this issue of Design Sense will find the following of special interest:

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This issue goes beyond theory to present specific information that can be applied directly to the decision-making process. In addition to a well-documented catalog of what's involved in saying "Yes" or "No" to packaging changes, the issue presents a dozen instances of actual packaging changes in different product categories, including the motivations behind the changes and a description of the resultant packages created.

All requests should be addressed to:
Design Sense
Lippincott & Margulies
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